

SENATE BILL REPORT

SSB 5988

As Passed Senate, March 14, 2001

Title: An act relating to the state investment board.

Brief Description: Establishing compensation levels for certain employees of the state investment board.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Snyder, McDonald, Spanel, Winsley, Prentice and Jacobsen; by request of State Investment Board).

Brief History:

Committee Activity: Ways & Means: 2/26/01, 3/8/01 [DPS].

Passed Senate: 3/14/01, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5988 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Erin Hannan (786-7708)

Background: The State Investment Board (SIB) invests and manages 29 state trust and retirement funds with a current market value of \$58 billion. The funds are categorized into six types: retirement, deferred compensation program, insurance, permanent, advanced college tuition program, and other trusts. For this purpose, the SIB employs investment officers. Compensation levels for the confidential secretary and all investment officers, including the deputy director for investment management, are currently established by the Washington Personnel Resources Board (WPRB). The SIB sets the salary for the executive director of the board.

Summary of Bill: The State Investment Board is authorized to set compensation levels for the executive director, a confidential secretary and all investment officers, including the deputy director for investment management. The SIB must notify the director of the Department of Personnel, the director of Financial Management, and the chairs of the House of Representatives and Senate fiscal committees at least 60 days before the effective date of the proposed changes to compensation levels.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill enables the SIB to attract and retain investment officers. Salary ranges are currently less than states within similar portfolios. The SIB has experienced staff turnover and shrinking candidate pools when refilling investment officer positions.

Testimony Against: None.

Testified: Jim Parker, State Investment Board (pro); Gary Moore, Dept. of Labor and Industries (pro); Charles Kaminski, Wick Group (pro); Bev Hermanson, WA Federation of State Employees (pro); Patrick McElligott, Council of Firefighters (pro).

House Amendment(s): The SIB is not authorized to set compensation levels for its investment officers. That authority remains with the WPRB. The SIB is authorized to maintain an internal retention pool equal to not more than 10 percent of the total salaries for investment officers, to be used for recruitment and retention purposes.